

Use Caution:

Rough Roads Ahead For New Hampshire



May 2008

Produced by:



Launched in February 2004, A Safer Road to Tomorrow was created to inform New Hampshire residents about the nature and scope of deficiencies in the state's highways and bridges, and their immediate and long-term impact on public safety, the economy and quality of life. Through outreach to the driving public, associations and other organizations, A Safer Road to Tomorrow helps educate New Hampshire residents on why the increased demand on roads, bridges and highways is important to them and their families — both now and in the future.

A Safer Road to Tomorrow is composed of leading public and private transportation, construction, safety, law enforcement and business organizations. They include: the NH Lodging and Restaurant Association, NH Good Roads Association, the NH Association of Chiefs of Police, the Safety & Health Council of Northern New England and the Associated General Contractors of NH.



Safety & Health Council
of Northern New England



Introduction

A well-maintained transportation infrastructure provides multiple benefits for all citizens of New Hampshire, benefits that affect not only safety, but economics and quality of life. For instance, tourists are favorably impressed by smooth roads and well-managed traffic flow, which help bring them back to our state again and again - the impact that infrastructure has on tourism, lodging, and restaurant industries is extremely important to the financial well being of the state. On a broader note, **New Hampshire's business community relies on good roads to provide hassle-free delivery and shipping corridors. Well-kept roads encourage businesses to not only stay in New Hampshire, but they also help sway new businesses to locate here and contribute to the state's economy.** Finally, roads that are properly maintained and upgraded when necessary are safer roads.

The reality, however, is that many of the roads and bridges in New Hampshire are old and in poor condition. Like all man-made structures, they have a limited life span and they require maintenance throughout their service life, especially here in the Northeast, where winters are wet, freezing, and salty – conditions that are hostile to concrete, steel, and asphalt. Of course

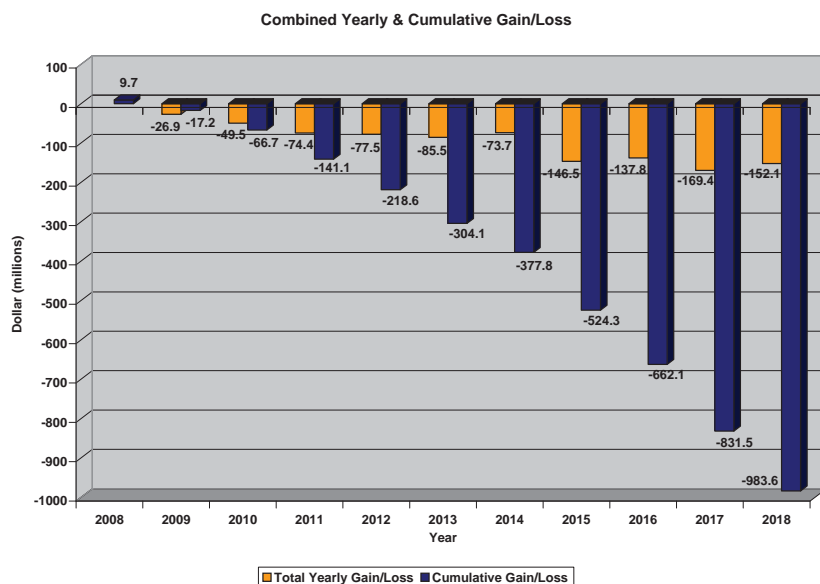
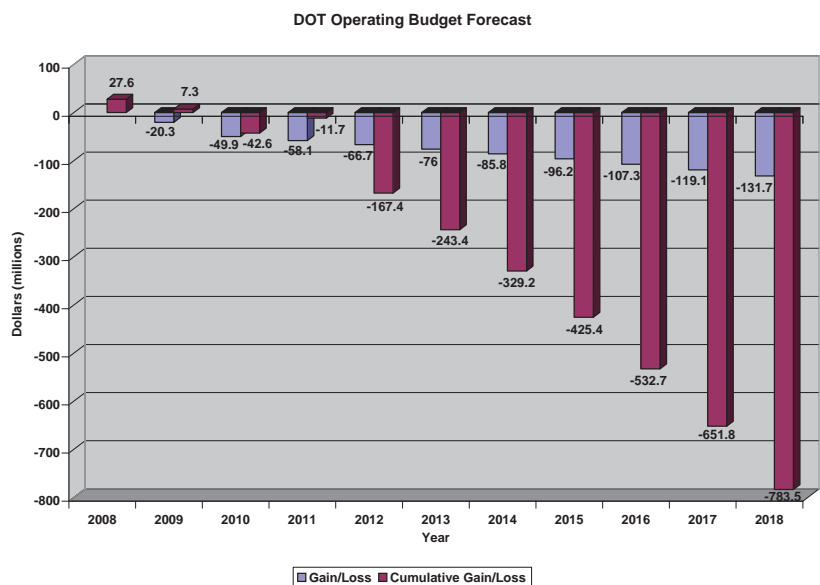
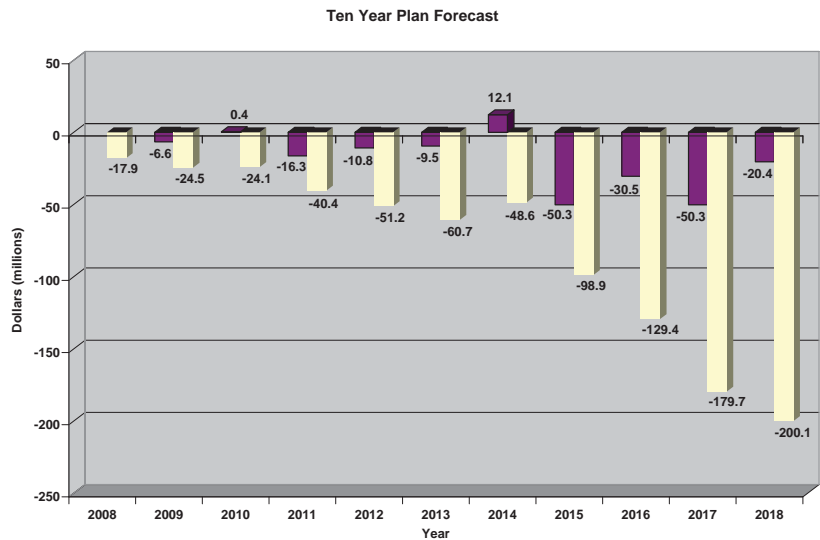
New Hampshire inspects its roads and bridges periodically, and in the past, if a road or bridge needed work, it would be put into the state's Ten Year Highway Plan. In the future, this will prove to be problematic as all projects in the state's program will be essential, making new projects less likely to be fixed. Contributing to this includes decreasing revenue in the Highway Trust Fund; rapidly rising costs of highway construction materials; and increased expenses imposed on contractors by legislation such as OSHA training, and workers' compensation, which get handed back to the state on its projects.

Investments in highways, roads, and bridges are essential in maintaining the superior quality of life and safety of the residents who live, work, and play in the Granite State. But smart fiscal management is necessary to pull New Hampshire out of its infrastructure deficit and repair its roads and bridges. **Legislators have to develop a fiscally responsible transportation plan.** We also need to accept that New Hampshire has to provide additional funding in some form. To ensure New Hampshire's future progress, we all have to embrace change . . . now.

While Interim Commissioner Charles O'Leary cut back the spending portion of the Ten Year Highway Plan (ie Highway & Betterment Funds Capital Program) in 2007, the problem of funding highway and bridge projects is not "fixed." Even with the cutbacks and a projected inflation rate of only 3%, anticipated expenses will exceed anticipated revenue. The Ten Year Plan's shortfall from 2008 to 2018 is projected to add up to \$200 million. The Department of Transportation's operating deficit for that period is projected to add up to \$783.5 million. Financial projections for the New Hampshire Department of Transportation and the Ten Year Highway Plan combined show expenses exceeding revenues to create a cumulative combined shortfall of \$983,600,000 by the year 2018.

In the first chart, "Ten Year Plan Gain or Loss," the data shows the yearly estimated gain or loss as highways and bridge projects are brought forward. The revenue prediction is based on gas tax, registration fees, federal aid, and potential bonding that will yield revenue until 2018. This fund shows a positive year-end balance only for the years 2010 and 2014. The other eight years end with a negative balance, with the last four years showing the greatest deficits. In the second chart, "DOT Operating Budget Forecast," the department's costs (benefits, equipment, building costs, materials, fuel, etc.) are anticipated to increase more than its revenue, and the shortfall for each of the 10 years will increase from a \$20 to \$130 million per-year deficit. In the third chart, "Combined Yearly and Cumulative Gain/Loss," the projected Department of Transportation budget and the Ten Year Plan projected budget are shown. The orange bars show each year's individual deficit for the operating budget and the Ten Year Plan combined, while the blue bars show the growing cumulative effect of the shortfall on each of the 10 years. At the end of the 2008-2018 Ten Year Plan, the transportation deficit will have reached \$983,600,000. In the following years, if transportation's financial management stays at the status quo, the trend line's direction is downhill.

Ten Year Plan & DOT Operating Budget Forecasts



Gas & Diesel Revenue

Revenue History

A significant percentage of highway funding comes from gasoline and diesel tax revenue. The growth in this source of funding since 2004 has been minimal, and has had little impact on addressing funding shortfalls.

The chart below, "FY Gas and Diesel Tax Revenue," shows revenue in the fiscal years 2002 to 2007. The fund saw a 3 percent increase until 2005, when rising gas prices appear to have affected revenue in a negative way. The rise in gas prices also had a compounding effect on increasing construction costs.

Looking ahead to the projected revenue for 2008 and 2009, it's clear that the state had a very successful ski season and increased tourism with a record amount of snow we received at the end

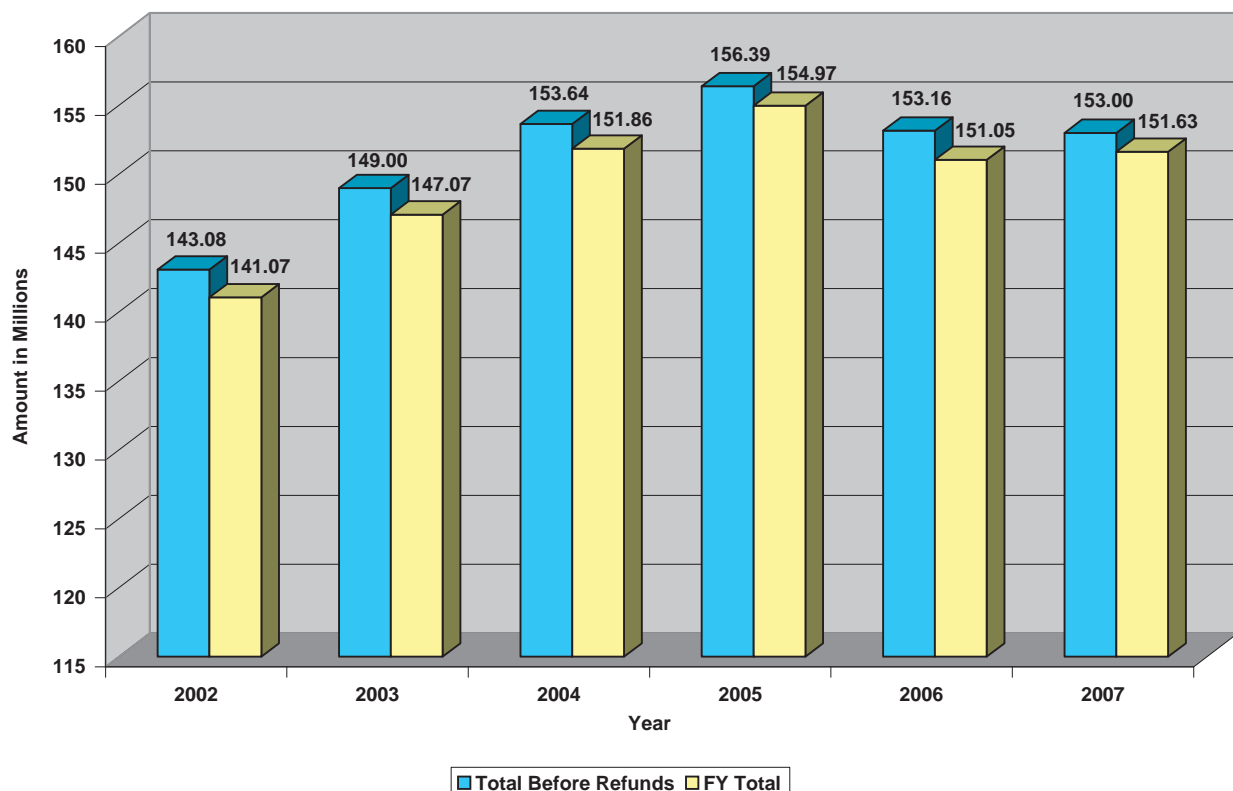
of 2007 into 2008. While gas prices held in the \$2.50 range for most of that time period, it appears that 2008 revenue should be relatively level with 2007's. With prices this past April surpassing \$3.40 per gallon, looking at FY 2009 which starts in July, it appears that consumption will start to decline again as the cost of gasoline will be close to 40% higher than the previous year. If gas prices don't recede any time soon, the real question is whether it will have an effect on summer visitors and if New Hampshire commuters will start to car pool or combine trips to save fuel. If so, available funds for maintenance and projects will continue to shrink at both the state and Federal levels.

The Ten Year Plan uses an inflation rate of 3 percent as a basis for budgeting based on construction price inflation



over the last 20 years. According to AGC of America's economist Ken Simonson, construction costs were projected to be 6 to 8 percent in 2008 as compared to 4.5 percent in 2007. The reduced gas tax revenues will not keep up with inflating construction costs.

FY Gas & Diesel Tax Revenue
(Fiscal Year is July-June)



Source: NH Department of Safety

Where Do Highway Funds Go?

STATE OF NEW HAMPSHIRE							
HIGHWAY FUND 2007							
Transfers to Other Agencies							
	2003	2004	2005	2006	Actual 2007	Budget 2008	Budget 2009
NET Highway Fund Appropriations	225,320,000	218,344,000	214,987,000	228,442,000	273,447,000	265,791,000	275,445,000
Less Transfers							
Aid to Cities and Towns	27,292,298	27,238,545	29,450,081	28,819,383	28,456,617	29,100,000	29,100,000
Department of Safety	50,078,124	52,938,739	59,347,425	66,652,833	70,555,061	77,824,240	79,773,782
Health & Human Services	1,192,860	747,123	376,242	356,622	367,215	496,572	479,397
District & Municipal Courts	1,000,000	1,000,000	1,000,000	1,505,650	1,709,886	2,000,000	2,000,000
Administrative Services	-	-	-	-	-	-	-
Superior Court	1,000,000	1,000,000	1,000,000	-	-	-	-
Environmental Services	51,443	57,912	94,878	40,000	41,805	35,000	36,000
Highway Safety	362,601	414,034	415,983	377,894	400,401	484,742	493,909
Department of Justice	599,717	911,465	849,397	923,045	986,426	1,038,466	1,053,413
Tax & Land Appeals	152,538	129,296	155,297	170,704	164,044	245,116	247,249
Cultural Affairs	106,520	-	-	-	-	-	-
Office of Emergency Management	-	-	-	-	-	-	-
Total Transfers	81,836,101	84,437,114	92,689,303	98,846,131	102,681,455	111,224,103	113,201,750
Transfers As % of Net Appropriations	36%	39%	43%	43%	38%	42%	41%

Source: NH Department of Transportation, Aug. 2007

Perhaps anticipating the practice of transferring money from the New Hampshire Highway Trust Fund for non-highway related uses, in 1937 the state adopted Article 6A, Part Second of the New Hampshire Constitution which states "All revenue in excess of the necessary cost of collection and administration accruing to the state from registration fees, operators' licenses, gasoline road tolls, or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels shall be appropriated and used exclusively for the construction, reconstruction, and maintenance of public highways within this state, including the supervision

of traffic thereon and payment of the interest and principal of obligations incurred for said purposes; and no parts of such revenues shall, by transfer or funds or otherwise, be diverted to any other purpose whatsoever."

With that said, the table above shows the transfers from Net Highway Fund Appropriations to other New Hampshire state agencies. From 2003 to 2009, the amount or anticipated amount transferred to other agencies increased every year while the total highway appropriation amount did not. Granted, legislators wrestle with determining which agencies meet the 6A standard; however, some of the transfers reflected

in the chart above would appear to not meet the Constitution's standards.

In 2007, while roads and bridges in New Hampshire are in substandard condition and in need of repair, 38 percent of New Hampshire's Highway Fund appropriations were transferred to agencies typically funded by the General Fund. Reducing transfers and eliminating unconstitutional transfers would be an effective way of applying more of New Hampshire's road revenue toward the purposes for which it was intended.

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Bonding

When there is not enough revenue in the fund to begin or even complete the highway and bridge projects contained in the Ten Year Plan, one option is bonding, which is borrowing money and repaying it over time, with interest. Moneys raised by bond issues could be used to fortify the Highway Fund, to increase the number of projects to address the state's Red List of bridges and other road maintenance projects. This method can speed up the process of repairing and building, and do so at today's costs instead of tomorrow's prices. The charts on the right are from 2007 and use 2007 interest rates. They illustrate hypothetical scenarios of issuing state General Obligation (GO) bonds and Federal Grant Anticipation Revenue (GARVEE) bonds, and show what the cost of borrowing the money is over the life of the loans. These scenerios used are not a comparison of the pros and cons of the two types of bonds.



GO bonds are state backed, which is to say, the principal and interest on the issues would be paid entirely from state tax revenue. New Hampshire is limited in the amount of GO-bond money it can borrow. The chart shows a 20-year schedule for \$60 million in state-backed bonds, with a fixed-interest rate of 5.5 percent. The payment begins in 2008 and would go for 20 years. For a \$60 million issue, the total combined payment of principal and interest for the 20 years will be \$91,350,000. Over \$31 million of that is interest.

Using GARVEE bonds, the state is pledging future federal revenue, not the full faith and credit of the state. To receive these bonds, New Hampshire would have to meet requirements of the Federal Highway Administration. The chart shows a 12-year schedule for \$191 million in federally-backed bonds. In this instance, for a \$191 million issue, the combined payment of principal and interest for all 5 of the 12-year issues is \$252,817,059. Almost \$62 million of that is interest.

As it is made clear in this booklet, Highway Fund revenues are decreasing and it appears unlikely that there will be a gasoline tax increase in the near future. With this prospect and with the increasing popularity of alternative fuel and energy efficient vehicles, there will be a progressively decreasing revenue stream. The additional long-term effect of annual bond payments will further diminish future available funds for transportation projects.

NH State Treasury Department 20-Year Schedule			
<i>Fiscal Yr</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2008		1,650,000	1,650,000
2009	3,600,000	3,201,000	6,801,000
2010	3,600,000	3,003,000	6,603,000
2011	3,600,000	2,805,000	6,405,000
2012	3,600,000	2,607,000	6,207,000
2013	3,600,000	2,409,000	6,009,000
2014	3,600,000	2,211,000	5,811,000
2015	3,600,000	2,013,000	5,613,000
2016	3,600,000	1,815,000	5,415,000
2017	3,600,000	1,617,000	5,217,000
2018	3,600,000	1,419,000	5,019,000
2019	2,400,000	1,254,000	3,654,000
2020	2,400,000	1,122,000	3,522,000
2021	2,400,000	990,000	3,390,000
2022	2,400,000	858,000	3,258,000
2023	2,400,000	726,000	3,126,000
2024	2,400,000	594,000	2,994,000
2025	2,400,000	462,000	2,862,000
2026	2,400,000	330,000	2,730,000
2027	2,400,000	198,000	2,598,000
2028	2,400,000	66,000	2,466,000
	60,000,000	31,350,000	91,350,000

Overview of GARVEE Bonds			
<i>Fiscal Yr</i>	<i>Debt Issued</i>	<i>Principal + Interest</i>	<i>Estimated Federal Revenue</i>
2008	53,950,000		135,800,000
2009	26,285,000	5,940,000	140,000,000
2010	57,555,000	8,833,895	140,000,000
2011	35,055,000	15,174,002	140,000,000
2012	18,510,000	19,034,767	140,000,000
2013		21,065,475	140,000,000
2014		21,074,750	140,000,000
2015		21,067,725	140,000,000
2016		21,060,600	140,000,000
2017		21,068,950	140,000,000
2018		21,068,025	140,000,000
2019		21,072,350	140,000,000
2020		21,065,075	140,000,000
2021		15,121,450	140,000,000
2022		12,234,650	140,000,000
2023		5,898,250	140,000,000
2024		2,037,000	140,000,000
	191,355,000	252,817,059	

Source for both charts: Catherine Provencher, State Treasurer, Oct. 2007

History of the Gas Taxes

During the past half century, the Federal Highway Trust Fund has disbursed \$596 billion to the 50 states. The fund was made possible by the Federal-Aid Highway Act and the Highway Revenue Act, passed by Congress in 1956. These acts enabled the federal government to tax gasoline and diesel fuel, thereby generating revenue for the Interstate System and for other eligible roads and bridges. The Federal Highway Trust Fund is designed to finance road, bridge, and mass transit improvements on a "pay-as-you-go" basis, rather than through bonding or other types of loans. By law, expenditures of the Highway Trust Fund cannot exceed its income.

Legislative History of the Federal Gas Tax		
1932	1 cent	All to General Fund
1940	1.5 cents	
1951	2 cents	
1956	3 cents	Formed Highway Trust Fund
1959	4 cents	
1983	9 cents	Highway Fund Revenue split 80% Highways & 20% Transit
1987	9.1 cents	Added 1 cent for underground storage tank cleanup
1990	14.1 cents	2.5 cents to Highway Fund & 2.5 to General Fund deficit
1993	18.4 cents	6.8 cents to General Fund deficit
1995	18.4 cents	4.3 to General Fund & recovered 2.5 cents to Highway Fund
1997	18.4 cents	All Highway Fund Revenue with 80% Highways & 20% Transit and 1 cent for underground storage tank cleanup

Currently, the federal tax on gasoline stands at 18.4¢ per gallon, while the per-gallon tax on diesel is 24.4¢. Proceeds from the users' fees are divided among a number of accounts, including a highway account (15.44¢ from each gallon), a mass transit account (2.86¢), and the Leaking Underground Storage Tank Trust Fund (0.1¢). Above right is a table of the history of the federal gas tax.

To the right is a table of the history of the New Hampshire gas tax.

Legislative History of the New Hampshire Gas Tax			
1951	4 cents		Chapter 83:2, NH Laws 1951
1966	7 cents	Effective 6/13/66	Chapter 1:1, NH Laws 1966
1971	9 cents	Effective 8/1/71	Chapter 504:1, NH Laws 1971
1977	10 cents	Effective 8/1/77	Chapter 558:1, NH Laws 1977
1979	11 cents	Effective 7/1/79	Chapter 496:2, NH Laws 1979
1987	14 cents	Effective 7/11/87	Chapter 179:2, NH Laws 1987
1990	16 cents	Effective 4/1/90	Chapter 10, NH Laws 1990
1991	18 cents	Effective 6/15/91	Chapter 249:3, NH Laws 1991

Below is a table of New England states' gas taxes in cents per gallon. The rates do not include any environmental fees for any of the states shown below.

New England States by Gas Tax	
Rhode Island	30 cents
Maine	26 cents
Connecticut	25 cents
Massachusetts	21 cents
Vermont	20 cents
New Hampshire	18 cents

Source: Federal Highway Administration (FHWA), Sept. 18, 2007

Gas Prices By Year			
YEAR	GAS PRICE	NH GAS TAX	% OF TAX TO PRICE
1970	0.36	0.07	19.44%
1980	1.25	0.14	11.20%
1990	1.16	0.16	13.79%
1992	1.04	0.18	17.31%
1994	0.99	0.18	18.18%
1996	1.07	0.18	16.82%
1998	1.08	0.18	16.67%
2000	1.26	0.18	14.29%
2002	1.10	0.18	16.36%
2004	1.49	0.18	12.08%
2006	2.23	0.18	8.07%
2008	3.08	0.18	5.84%
2008-Apr	3.56	0.18	5.06%

Source: Energy Information Administration (EIA), agency of the U.S. Department of Energy 1992-2008, 1970-1990 flashback.com

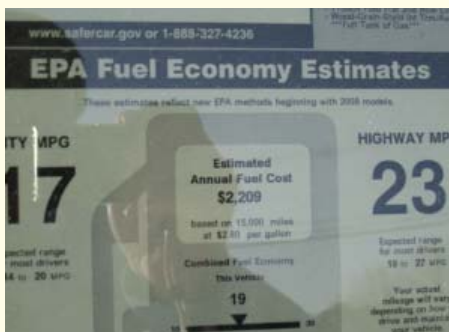


Alternative Fuels & Issues

Alternative fuels and hybrid vehicles have become more popular as gasoline prices have risen. Hybrid vehicles currently may be partly powered by electricity, but other fueling forms on the drawing board and in the experimental stage are solar; ethanol and biodiesel, which are biofuels; hydrogen; methane hydrates; and coal gasification. When perfected in the future, some of these will be affordable alternatives to gasoline and diesel. Others will be more environmentally friendly.



The trend is shifting toward hybrids. Since the year 2000, sales of hybrids have increased from 9,350 to 200,000 in 2006. If everyone decides to go this way, the 1950's method of paying for our roads won't work. The current models of hybrids are not the small and lightweight ones they were at first. They are full-sized cars and SUVs and pickup trucks that put the same wear and tear on the roads as gas- and diesel-powered vehicles. Clearly, there needs to be in place a way to tax all vehicles regardless of how they are powered, so that everybody ends up paying his or her fair share.



Alternatives

Oregon's Mileage Fee Concept

Oregon's highway fund problem in 2001 was very much like New Hampshire's now: "86 percent of all revenue came from gas taxes; the gas tax had not kept pace with inflation; voters had opposed increases in the gas tax; fuel efficient automobiles resulted in less gas tax paid." (Office of Innovative Partnerships and Alternative Funding Road User Fee Pilot Program)

The Oregon legislature passed House Bill 3946 in 2001 to create a task force that would develop a revenue-raising alternative to the gas tax – a mileage fee. "The new system would directly reflect the burden each user places on the road system." (Oregon DOT Final Report, November 2007) The main criteria were that the system be affordable to implement, enforceable, and easy on the consumer.

On May 14th, 2004, researchers unveiled two wireless systems to determine vehicle miles traveled. One system would calculate "how many miles a vehicle travels between refueling, automatically read the data, compute a fee, and add this fee to the cost of the fuel while a vehicle is at the fuel pump. The Global Positioning System (GPS) technology would distinguish whether the miles are driven in or out of Oregon." (Daily Journal of Commerce, 5/14/04, Jessica Swanson)

The suggested mileage tax is 1¼¢ per mile, which would eventually replace the state's 24¢ per gallon tax. "When the car pulls into a gas station, its mileage data is uploaded by a short-range radio frequency to a wireless reader. It sends the numbers to the station's computer, which asks a central computer for information on the car's last reported mileage. When that data arrives, the gas station computer does the math. It calculates new taxable miles, computes how much tax is owed, and relays that information back to the pump. After that, the gas station subtracts the gas tax from the per-gallon price displayed on the pump. The consumer fills the tank, then pays for the fuel plus the mileage tax." (Seattle Times Newspaper, 7/5/04, Eric Pryne). Cars that didn't have the odometer and GPS devices simply continued to pay the gas tax. The field test began in April of 2006 and ran for about a year. The electronic devices were not manufactured into the vehicles. Point of sales systems could not be changed. So "the field test retrofitted temporary, prototype on-vehicle devices into vehicles privately owned by volunteer participants, employed lab-generated data transmission technology, and jury-rigged modifications to existing fueling station systems." (Oregon Department of Transportation Final Report, November, 2007) The necessary critical administrative elements of the concept went like clockwork.



The State Needs to Address Safety: DOT Crash Report

The New Hampshire Department of Transportation is required by a SAFETEA-LU amendment to analyze crash data and submit an annual report that describes at least 5 percent of the highways and intersections that have the highest occurrence of traffic crashes and have the most severe safety needs.

In the table below is data taken from New Hampshire's recent 2007 report on crashes for the years 2002 to 2005. The original data tabulates the 11 types of roads and intersections in New Hampshire with the top 20 accident locations for each type. The location with the highest accident rate (accidents as a function of traffic volume) or total (where the volume is not known) for its type becomes one of the top 5 percent - the 11 most dangerous places to drive in New Hampshire, the sites of 174 total vehicle crashes.

For each location, the DOT has described the problem with the site, potential remedies, and the estimated costs of the remedies. Some of the sites are rural, some are urban; some are secondary roads, some are highways. The various problems that DOT describes in the reports of these locations are: narrow road with limited sight distance; obstructions close to the edge of the pavement; sharp horizontal curves and blind hills; unsignalized intersections; poor, missing, or obscured signage; faded pavement markings; no backplates on traffic lights; lack of turning lanes; collision with wildlife.

Once the locations and problems have been identified, the next part of the process is to determine ways to mitigate these dangerous conditions and estimate the cost of doing so. The DOT suggests potential remedies, and



assigns costs to each remedy. More than half of the problem areas have 2 possible solutions with two associated costs. The range for implementing all the mitigations runs from \$250,000 to \$831,000, some of the costlier solutions being construction of a roundabout, changing roadway geometry, and clearing and widening the roadway.

Number One Crash Location by Road/Intersection Type Over Four Years (2002-2005)			
Type of Road/Intersection	City/Town, Street/Road/HWY	Total Crashes	Avg Crashes per year
Major arteries	Concord – between Airport Road and Concord/Pembroke line	44	11.00
Major arterial intersections	Manchester - Beech/Bridge Street	32	8.00
Minor arterial intersections	Manchester - Beech Street/Lake Avenue	23	5.75
Minor arteries	Manchester - Mammoth Road between Lucas Road and Manchester/Londonderry Line	20	5.00
Major collector intersections	Manchester - Chestnut Street/Salmon Street	16	4.00
Local intersections	Concord - D'Amante Drive/Loudon Road	13	3.25
Interstate intersections	Londonderry - Interstate 93 North, Exit 5 off ramp	7	1.75
Interstate highways	Franconia – I-93 North, between exits 35 & 36 off ramps	6	1.50
Minor collector intersections	Brentwood - Southside Road/North Road	6	1.50
Major collector	Richmond - Route 32, between Tulley Brook Road and NH/ Mass state line	4	1.00
Minor collector	Lempster - Allen Road, between Lempster Street and the Lempster/Acworth town line	3	.75

Source: NH Department of Transportation, Aug. 2007

Economic Considerations

The Economy

• On a state level, transportation is a significant driver of the local economy. The highway network continues to be the primary support of the transportation movement of goods and services in the state of New Hampshire. Additionally, whether people or goods travel by automobile, truck, train, bicycle, foot, snowmobile or other means, bridges are necessary to provide crossing of rivers, railroads, and other roads.

• Increasingly, companies are looking at the quality of a region's transportation system when deciding where to relocate or expand. Regions with congested or poorly maintained roads may see businesses relocate to areas with a smoother, more efficient transportation system.

• Construction of roads and bridges creates jobs, and the maintenance and support of them helps people get to work, to recreational activities, to churches and schools, and directly impacts our quality of life.

• Every year, an estimated \$31 billion of goods is shipped out of state and \$32 billion is shipped into the state.

• Commercial trucking is projected to increase 56 percent in New Hampshire by 2020.

• In 2007, one dollar spent on highway and road improvements results in a cumulative \$5.40 in overall benefits, including improved traffic safety, reduced travel delays, and reduced operating expenses for motor vehicles.



Jobs

• For every \$100 million invested in roadways, more than 4,750 jobs are created (less than 25% of those jobs are in construction); \$200 million in economic activity is generated; \$6 million dollars is spent in state and local taxes.

Safety

• It is estimated that roadway design is an important factor in one-third of traffic fatalities.

• The Federal Highway Administration has found that every \$100 million spent on needed

highway safety improvements will result in 145 fewer traffic fatalities over a 10-year period.

• An average of 139 people were killed each year in motor vehicle accidents in New Hampshire from 1999 to 2004.

• Highway improvements such as adding lanes, removing obstacles, adding or improving medians, widening lanes, widening and paving shoulders, improving intersection design, and better road marking and traffic signals can reduce traffic fatalities and vehicle accidents.

Inflation

• Had the state gas tax been indexed to the Consumer Price Index, the rate would have been 24.8¢ per gallon instead of 18¢ in 2006.



Conclusion



Perhaps it is clearer now why New Hampshire's roads and bridges are not in good condition. This reality affects safety, the economy, and New Hampshire drivers who have to pay for damage done to vehicles on pot-holed roads and have to waste time and money sitting in traffic that is at a standstill due to congestion. Perhaps it is clearer, too, that New Hampshire's infrastructure funding is heading toward a crisis. Since 2007, New Hampshire has been in an engineering maintenance-only mode, where non-essentials have been eliminated. The two criteria for maintenance are: what absolutely needs to be done, and what repairs will affect the most people.

When you don't have enough money, you spend what money you do have on necessities, not on non-essentials. US Transportation Secretary Mary Peters said recently that the country's funding problem is that we are "spending too many federal highway dollars on bike paths and trails, and museums and lighthouses instead of our roads and bridges." (NH Highways, March/April, 2008).

The current plan will not solve the current revenue/funding problem. In light of present and future financial limitations, the following are steps that elected officials need to follow to achieve a successful highway plan:

- ☒ 1. Make a comprehensive inventory and review of all projects already in the 10-Year Highway Plan, and remove all non-essential items from the plan. *(Done in 2007 by DOT Commissioner O'Leary).*
- ☐ 2. Review biannually all transfers of Highway Fund money to agencies other than the Department of Transportation and adhere to the original intent of Article 6A of the New Hampshire Constitution.
- ☐ 3. Review all existing fees and taxes used to generate revenue for the Highway Fund to ensure that they are at levels appropriate to meet the needs of the Ten Year Highway Plan.
- ☐ 4. Ensure that all Ten Year Highway Plan cost projections reflect accurate estimates of inflation.
- ☒ 5. Ensure that New Hampshire's turnpike system is self supporting with a financial plan to maintain the system over the long term. *(Done in 2007 with the increase in tolls).*
- ☐ 6. Ensure that all motor vehicles utilizing alternative fuels are contributing their fair share to the Highway Fund.
- ☐ 7. Make all future increases to the motor fuel tax go to the Highway Fund, excluding all transfers except the municipal percentage in accordance to state law RSA 235:23.
- ☐ 8. Make transportation planning look at mobility, land use, and ways to develop creative and sustainable solutions into the future.

Key: ☒ **Accomplished**

Perhaps it is clearer, finally, that the current financial plan needs to change. Yes, change is difficult and it will be costly, but failure to make a decision now and act on it will be even more costly in the future. With New Hampshire growing at such a rapid pace, strains on the transportation system will only get worse without careful planning and adequate funding. Most people rarely stop to think of the "what ifs" – how their lives would change if their particular roads, highways, or bridges were not there, were closed altogether. That's exactly what could happen. Any time something is going bad, the longer it takes to fix it, the worse it gets, until it just doesn't work at all.



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